

Message Text

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ORIGIN EB-07

INFO OCT-01 AF-08 ARA-10 EUR-12 EA-09 NEA-10 ISO-00 L-03
FRB-01 OMB-01 ITC-01 SP-02 USIA-15 AGRE-00 AID-05
CIAE-00 COME-00 INR-07 IO-13 LAB-04 NSAE-00 OIC-02
SIL-01 STR-04 TRSE-00 CIEP-02 CEA-01 /119 R

66011

DRAFTED BY EB/FTD:CANGEVINE:HM

APPROVED BY EB/FTD:CANGEVINE

----- 001605 /67

R 142231Z DEC 76

FM SECSTATE WASHDC

TO AMEMBASSY MEXICO

AMEMBASSY COLOMBO

AMEMBASSY DAR ES SALAAM

AMEMBASSY BRASILIA

AMEMBASSY NEW DELHI

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AMEMBASSY PORT AU PRINCE

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FOLLOWING REPEAT GENEVA 9878 ACTION SECSTATE
INFO USUN NEW YORK ALL OECD CAPS 13 DEC 76

QUOTE

UNCLAS GENEVA 9878

E.O. 11652: N/A

TAGS: ETRD, UNCTAD

SUBJ: UNCTAD - PREPCOM ON HARD FIBERS

FOLLOWING IS THE TEXT OF THE DECISION ADOPTED BY THE PREP-
COM ON HARD FIBERS. THE TEXT OF PARA 1 (A) (IX) IS SUBJECT
TO MINOR MODIFICATION TO INCLUDE FREIGHT RATES AS A SUBJECT
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TO BE STUDIED BY THE EXPERT GROUP.

QUOTE: 1. THE PREPARATORY MEETING ON HARD FIBERS, IN ORDER TO IMPLEMENT CONFERENCE RESOLUTION 93 (IV), CONSIDERING THE NEED FOR APPROPRIATE INTERNATIONAL ARRANGEMENTS AND/OR OTHER CONCERTED INTERNATIONAL MEASURES ON HARD FIBERS AND PRODUCTS, DECIDES TO CONTINUE ITS WORK AT THE LEVEL OF GOVERNMENTAL EXPERTS, UNTIL ITS SESSION TO BE HELD NOT LATER THAN SEPTEMBER 1977 WITH THE FOLLOWING SPECIFIC TASKS;

(A) TAKING ACCOUNT OF THE OBJECTIVES SET OUT IN CONFERENCE RESOLUTION 93 (IV), TO IDENTIFY AND ASSESS APPROPRIATE MEASURES AND TECHNIQUES AND TO PREPARE AND RECOMMEND TO THE PREPARATORY MEETING ON HARD FIBERS TO BE HELD NOT LATER THAN SEPTEMBER 1977, AN ACTION PROGRAM ON HARD FIBERS ON PRODUCTS DESIGNED TO REACH THE FOLLOWING OBJECTIVES:

(I) TO ACHIEVE STABLE CONDITIONS IN TRADE IN HARD FIBERS AND PRODUCTS, INCLUDING AVOIDANCE OF EXCESSIVE PRICE FLUCTUATIONS, AT LEVELS WHICH WOULD BE REMUNERATIVE AND JUST TO PRODUCERS AND EQUITABLE TO CONSUMERS, AND PROMOTE BETTER EQUILIBRIUM IN AND IMPROVE CONDITIONS OF SUPPLY AND DEMAND;

(II) TO IMPROVE AND SUSTAIN THE REAL INCOME OF INDIVIDUAL HARD FIBERS PRODUCING COUNTRIES THROUGH INCREASED EXPERT EARNINGS;

(III) TO CONSIDER THE HARMONIZATION OF THE PRODUCTION OF SYNTHETIC SUBSTITUTES IN DEVELOPED COUNTRIES WITH THE SUPPLY OF HARD FIBERS AND PRODUCTS FROM DEVELOPING COUNTRIES;

(IV) TO IMPROVE THE COMPETITIVENESS OF HARD FIBERS AND PRODUCTS THROUGH REDUCTION IN THE COST OF THEIR PRODUCTION, INCLUDING IMPROVED METHODS OF CULTIVATION, PROCESSING, MODERNIZATION AND BALANCING OF THE HARD FIBER INDUSTRY, DIVERSIFICATION OF HARD FIBER PRODUCTS AND DIVERSIFICATION IN LAND USE;

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(V) TO LAUNCH AND CONTINUE A COMPREHENSIVE AND PURPOSEFUL PROGRAM OF RESEARCH AND DEVELOPMENT AIMED AT INCREASING THE YIELD AND IMPROVING THE QUALITY OF HARD FIBERS, INCREASING THE EFFICIENCY OF PRODUCTION PROCESSES OF HARD FIBER PRODUCTS, BRINGING ABOUT TECHNICAL IMPROVEMENT IN THE EXISTING HARD FIBER PRODUCTS AND FINDING NEW END-USES OF HARD FIBERS;

(VI) TO EXPAND THE MARKET OF HARD FIBERS AND PRODUCTS THROUGH, INTER ALIA, EFFECTIVE MARKET PROMOTION PROGRAM;

(VII) TO INCREASE PARTICIPATION OF THE PRODUCING DEVELOPING COUNTRIES IN THE PROCESSING AND MANUFACTURING IN THE HARD FIBER SECTOR WITH A VIEW TO PROMOTING THEIR INDUSTRIALIZATION AND INCREASING THEIR EXPORT EARNINGS;

(VIII) TO SEEK TO IMPROVE ACCESS TO MARKETS FOR HARD FIBERS AND HARD FIBER PRODUCTS OF DEVELOPING COUNTRIES, BEARING IN MIND THE NEEDS AND INTERESTS OF DEVELOPING COUNTRIES;

(IX) TO IMPROVE THE TRANSPORT SYSTEM SO AS TO PROVIDE REGULAR SUPPLIES TO MARKETS AND EFFECT SAVINGS IN THE COST OF THE PRODUCTS MARKETED.

(B) IN CONSIDERING THE MEASURES AND TECHNIQUES AS REQUESTED IN SUB-PARAGRAPH (A) ABOVE, THE WORK AT THE EXPERT LEVEL SHOULD GIVE PRIORITY CONSIDERATION TO APPROPRIATE SYSTEMS OF BUFFER STOCKS AND/OR ANY OTHER APPROPRIATE MEASURES IN RELATION TO THE COMMODITIES CONCERNED.

(C) ON THE BASIS OF CONFERENCE RESOLUTION 93 (IV) TAKE INTO ACCOUNT ALL RELEVANT INFORMATION, KNOWLEDGE AND EXPERIENCE, THE REPORTS JOINTLY PREPARED BY THE SECRETARIAT OF UNCTAD AND THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO) FOR THE FIRST PREPARATORY MEETING ON HARD FIBERS AND THE REPORT OF THE FIRST PREPARATORY MEETING.

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(D) TO ANALYSE THE CURRENT MARKET SITUATION OF HARD FIBERS AND PRODUCTS ON THE BASIS OF AVAILABLE INFORMATION, INCLUDING IN RESPECT OF THE PRICE RELATIONSHIP BETWEEN HARD FIBERS AND ITS PRODUCTS, AS WELL AS BETWEEN HARD FIBER PRODUCTS AND SYNTHETIC SUBSTITUTES, TAKING INTO ACCOUNT THE SPECIAL INTERESTS AND NEEDS OF PRODUCING DEVELOPING COUNTRIES, AND TO COLLECT FURTHER INFORMATION AS AND IF NECESSARY.

(E) TO DETERMINE FINANCIAL REQUIREMENTS RESULTING FROM THE MEASURES AND TECHNIQUES EXAMINED.

2. THE FAO IS INVITED TO PARTICIPATE ACTIVELY IN THIS WORK AND TO EXTEND THE NECESSARY TECHNICAL AND OTHER

SUPPORT. UNQUOTE.

THE FOLLOWING IS THE TEXT OF U.S. STATEMENT TO BE INCLUDED VERBATIM IN THE REPORT OF THE PREPCOM. SIMILAR STATEMENTS WERE ENTERED BY AUSTRALIA, SWITZERLAND, AND THE FRG.

QUOTE: MR. CHAIRMAN, THE DELEGATION OF THE UNITED STATES CAME TO GENEVA THIS WEEK TO DISCUSS FURTHER WORK REGARDING THE IMPLEMENTATION OF RESOLUTION 93(IV) IN RESPECT TO HARD FIBERS AND HARD FIBER PRODUCTS. WE DID NOT COME TO RENEGOTIATE THE RESOLUTION NOR TO MAKE COMMITMENTS REGARDING THE NEED FOR INTERNATIONAL MEASURES RESPECTING HARD FIBERS AND HARD FIBER PRODUCTS. YET, APART FROM AGREEING TO CONTINUE WORK AT THE LEVEL OF GOVERNMENTAL EXPERTS, THIS MEETING HAS BEEN ENGAGED IN DISCUSSION OF LITTLE ELSE FOR THE PAST WEEK. THE U.S. REGRETS IT IS UNABLE TO AGREE TO KEY ELEMENTS OF THE DECISION MADE THIS WEEK BY THE UNCTAD PREPARATORY CONFERENCE ON HARD FIBERS. IN THE U.S. VIEW FUTURE WORK TOWARD THE IMPLEMENTATION OF UNCTAD RESOLUTION 93(IV) IN RESPECT TO HARD FIBERS DOES NOT REQUIRE AN ENDORSEMENT AT THIS TIME OF THE QUOTE NEED FOR APPROPRIATE INTERNATIONAL ARRANGEMENTS AND/OR OTHER CONCERTED INTERNATIONAL MEASURES ON HARD FIBERS AND PRODUCTS UNQUOTE. THE PRODUCING COUNTRIES INSISTED UPON THIS ENDORSEMENT DESPITE THE REPEATED OBJECTIONS UNCLASSIFIED

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OF MAJOR CONSUMING COUNTRIES. THE PRODUCING COUNTRIES' UNWILLINGNESS TO CONFINE THIS INITIAL DECISION OF THE CONFERENCE TO MATTERS MUTUALLY AGREEABLE TO MAJOR PRODUCERS AND CONSUMERS OF HARD FIBERS HAD UNFORTUNATE IMPLICATIONS FOR FUTURE WORK IN REGARD TO HARD FIBERS UNDER RESOLUTION 93(IV). I WOULD LIKE AT THIS POINT TO REMIND THE CONFERENCE THAT THE U.S. HAS ACTIVELY PARTICIPATED IN THE FAO IG ON HARD FIBERS, A GROUP WHICH HAS ALREADY UNDERTAKEN CERTAIN MEASURES CONCERNING THE COMMODITIES UNDER DISCUSSION HERE.

THE U.S. NOTES WITH CONCERN THE PREDISPOSITION OF PRODUCING COUNTRIES TO IDENTIFY A PARTICULAR REMEDY FOR THE PROBLEMS OF HARD FIBERS PRIOR TO AN EXPLORATION OF THE NATURE OF THOSE PROBLEMS OR THE FEATURES OF POSSIBLE SOLUTIONS. THE FASCINATION WITH BUFFER STOCKS IS NO DOUBT RESPONSIBLE FOR THE LACK OF INTEREST EXHIBITED BY MAJOR PRODUCING COUNTRIES IN OTHER POSSIBLE MEASURES TO IMPROVE HARD FIBER MARKETS.

THE U.S. DOES NOT UNDERSTAND THE RELUCTANCE OF PRODUCING COUNTRIES TO CONFORM PROPOSALS FOR CONFERENCE DECISIONS

AS MUCH AS POSSIBLE TO RESOLUTION 93(IV). THESE RATHER EXTENSIVE EFFORTS AT REWRITING 93(IV) CAN ONLY DELAY ATTENTION TO THE REAL PROBLEMS OF HARD FIBERS. SIMILARLY, THE EFFORTS OF PRODUCER COUNTRIES TO LINK EXPLICITLY PARTICULAR MEASURES TO PARTICULAR OBJECTIVES ALSO TEND TO DELAY THE WORK OF THE CONFERENCE.

THE U.S. WISHES TO MAKE THE FOLLOWING SPECIFIC RESERVATIONS:

(1) THE U.S. STATEMENT MADE AT NAIROBI CONCERNING THE CONCEPT OF INDEXATION IS APPLICABLE TO THIS DECISION.

(2) RESPECTING PARAGRAPH 1(A) (III), THE U.S. IS UNABLE TO AGREE TO THE CONSIDERATION OF HARMONIZATION OF PRODUCTION OF SYNTHETIC SUBSTITUTES FOR HARD FIBERS.

(3) RESPECTING PARAGRAPH 1(A) (VIII), THE U.S. IS UNABLE TO UNDERSTAND THE LOGIC OF THE DISINTEREST OF PRODUCING UNCLASSIFIED

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COUNTRIES IN IMPROVING THE MARKET ACCESS OF HARD FIBERS AND HARD FIBER PRODUCTS ON A MOST FAVORED NATION BASIS.

(4) RESPECTING PARAGRAPH 1(A) (IX), THE U.S. BELIEVES THAT THIS LANGUAGE DOES NOT REFLECT EITHER THE CONCEPT OR WORDING OF RESOLUTION 93(IV).

FINALLY, MR. CHAIRMAN, I WISH TO REAFFIRM MY GOVERNMENT'S SUPPORT FOR THE ACTIVE ROLE OF EXISTING COMMODITY FORUMS AND TO URGE THAT THE FAO INTERGOVERNMENTAL GROUP BE USED AS A TECHNICAL FORUM FOR FURTHER WORK IN RESPECT TO HARD FIBERS AND HARD FIBER PRODUCTS UNDER RESOLUTION 93 (IV). MR. CHAIRMAN, I ASK THAT MY STATEMENT BE REFLECTED VERBATIM IN THE RECORD. UNQUOTE.CATTO XUNQUOTE KISSINGER.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, COMMITTEE MEETINGS, FIBER COMPOSITES
Control Number: n/a
Copy: SINGLE
Draft Date: 14 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE303173
Document Source: CORE
Document Unique ID: 00
Drafter: CANGEVINE:HM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760461-0026
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761243/aaaablja.tel
Line Count: 264
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: schwenja
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2004 by hattaycs>; APPROVED <19 AUG 2004 by schwenja>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNCTAD - PREPCOM ON HARD FIBERS FOLLOWING IS THE TEXT OF THE DECISION ADOPTED BY THE PREP- COM ON HARD FIBERS. THE TEXT OF PARA 1 (A) (IX) I
TAGS: ETRD, EPAP, UNCTAD
To: MEXICO COLOMBO DAR ES SALAAM MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006